



# Mapping Your Future<sup>®</sup> Guide to Life after High School<sup>SM</sup>: Senior Year

## Get prepared for life after high school

Some people know from an early age exactly what they want to be when they are adults—and how they can get there. Others aren't sure of their plans, and that's okay too.

Regardless of what you want to be, you most likely will be heading toward higher education of some kind, and our Guide to Life after High School can help you prepare. You'll learn about careers, academic preparation for college, how to pay for college, and managing your financial life after high school graduation.

### **Find the right college**

Soon you will need to make a final decision about what college is right for you. Be sure to do your research and consider all of the different factors.

You can find out information about different colleges several ways:

- Attend a college fair in your area (ask your school counselor for more information)
- Contact colleges' admissions offices
- Review colleges' websites
- Visit campuses
- Talk to financial aid representatives

Research the following factors, which will help you make an informed decision.

### **Programs Offered**

- It's important to choose a college that offers the program, or "major" you need, so that you can complete the degree you are pursuing.
- Take time to research the quality of the college. Ask around about their reputation, rank, and "placement rate," or how many of their graduates are able to find jobs in their field after graduating.

- If you still are unsure of what field you will be studying, choose a college with many options, and plan to take a variety of classes.

### **Size and Location**

- Are you looking for a large college that offers many diverse programs and activities or a small college, where the professors will know your name?
- Do you want to go to college close to home or far away, in a big city or a small town?
- Learn more by visiting campuses or taking virtual tours online.
- Consider all of your options, and make a choice based on the best fit for you.



### **Type**

- Are you interested in a public (or “state”) college, or a private college? Each offers advantages, based on what matters to you, such as lower cost, religious affiliation, or other factors.
- Also be sure to choose the right kind of college – two-year, four-year, community, technical, tribal – based on what best fits your goals.

### **Cost**

- Cost is an important factor to consider when choosing the best college to fit your family’s situation.
- Most students qualify for some type of financial aid, so be aware that the “sticker price” won’t necessarily be the same as your out-of-pocket cost.

### **Apply for admission**

Fall of your senior year is the time to apply for admission to college. Don’t wait to apply. Even though some colleges may have “rolling” admission (meaning you can apply any time), they only accept students until their incoming class is full.

By applying in the fall, you leave yourself time to decide on the other aspects of college: where you will live, how you will pay for it, etc.

### **Standardized Tests and Placement Tests**

- You should take standardized entrance exams in the spring of your junior year and/or fall of your senior year.
- Colleges will require either the ACT ([www.actstudent.org](http://www.actstudent.org)) or SAT ([www.collegeboard.com](http://www.collegeboard.com)), so be sure to ask each potential college which they prefer.

- There is a cost for these tests; however, you might qualify for a fee waiver. Speak with your school counselor for more information.

## College Applications

Request applications from the colleges to which you want to apply.

- Applications may be available online or in a paper version. Either way, complete them fully and accurately.
- Most colleges require an application fee. If you cannot afford the application fee, contact the college admissions office to find out if they offer waivers.
- Ask your counselor to send your official transcript to each college to which you apply.



## Essays and Recommendations

- Many colleges require an essay and recommendations from teachers, school counselors, or supervisors.
- Ask for help on your essays and for recommendations early.

## Apply for financial aid

- Financial aid is the term for any scholarship, grant, work, or loan program that can be used to help you pay for college.
- Most financial aid is based on your financial need, not on grades. Financial aid can come from various sources:
  - Federal government aid
  - State government aid
  - Colleges
  - Private foundations
  - Scholarships and grants
- Search for scholarships as soon as possible, and continue throughout college. Check for scholarships at your school counselor's office, from local businesses and organizations, and do a free online search.
- You also need to complete the FAFSA (Free Application for Federal Student Aid), through which you qualify for all types of federal aid, as well as other programs.
- Also complete any financial aid applications required by the college.

## The FAFSA

The FAFSA should be completed in January of your senior year (it cannot be completed before that time). The FAFSA requires information from both the student and his or her family. You can file the FAFSA online at [www.fafsa.gov](http://www.fafsa.gov).

- The FAFSA will ask questions about your family income from the previous year.
- If your parents have not yet completed their tax returns, they can estimate their income when completing the FAFSA. You can make changes later if the actual information is different.
- The financial aid office will determine your financial aid eligibility based on your FAFSA.

Remember that the first word in FAFSA is “free.” If you need help completing the FAFSA, it’s available free of charge:

- Calling the financial aid office at a college to which you're applying,
- Attending a College Goal Sunday event ([www.collegegoalsundayusa.org](http://www.collegegoalsundayusa.org)) in your area,
- Attending a FASFA or financial aid night or session at your high school. Ask your counselor about details.
- Contacting the financial aid office at a local community college and asking for help, or
- Calling the U.S. Department of Education at 1-800-4-FEDAID.

There are many services that “guarantee” you will receive financial aid if you pay to have your FAFSA completed. These services do not offer access to any additional types of financial aid, and may encourage you to borrow unneeded student loans. Be careful. Remember, you do not have to pay for financial aid help or scholarship searches.

### **FAFSA4caster**

You can get a “sneak peek,” or an estimate, of your federal student aid eligibility with the FAFSA4caster at [www.fafsa4caster.ed.gov](http://www.fafsa4caster.ed.gov). There are several benefits to using this process:

- Provides estimates so you can compare costs of colleges
- Calculates estimated eligibility for federal aid, including grants
- Pre-fills 51 questions for the actual FAFSA application, which saves you time
- Generates your Federal Student Aid PIN (personal identification number) which you will need to complete the FAFSA

### **When to Complete the FAFSA**

- Apply for financial aid as soon as possible after January 1 of your senior year. You can apply online at [www.fafsa.gov](http://www.fafsa.gov), or use a paper application.
- Apply early in order to maximize your financial aid opportunities.
- A good guideline is to apply before February 15.



Don't wait until after you've been admitted to a college to apply for financial aid. The admission process and the financial aid process are separate and have separate deadlines.

## **Compare financial aid packages**

You wouldn't buy a car without shopping around first, and you shouldn't decide on a college without making sure you fully understand what the cost will be.

### **Cost of Attendance**

- "Cost of attendance" refers to the entire cost for a student to attend a specific college for one school year
  - The following is included in the cost:
  - Tuition
  - Room and board
  - Travel expenses
  - Books and supplies
  - Personal expenses (laundry money, pizza, etc.)

### **Consider the Bottom Line**

- Your cost of attendance is not necessarily your out-of-pocket cost, be sure to consider the amount of financial aid you are being awarded.
- Your award letter, from the financial aid office, will outline the financial aid you are being offered.
- Pay attention to the "bottom line," or what your cost will be after financial aid.
- Also pay attention to how much gift money (scholarships and grants that do not have to be repaid) you are being awarded versus borrowed money, or loans.
- Use these comparisons as one factor in your final college choice.



### **Grants and Scholarships**

Grants and scholarships are the best type of financial aid because they don't need to be repaid. Grants are usually based on financial need, while scholarships are based on a wide variety of factors. Be sure to understand how to maintain your eligibility for this type of aid, for example, you may need to:

- Maintain a minimum grade point average,
- Study a particular subject,
- Complete other paperwork, or
- Reapply each year.

## Federal Work-Study

- The Federal Work-Study program is money that you can earn by working for an on-campus or off-campus employer, as arranged by your college.
- You can earn up to the award amount you are given.
- Some students also choose to find their own part-time and summer job in addition to or instead of accepting work-study funds.

## Student Loans

Student loans must be repaid, and every dollar that you have to spend repaying loans is a dollar you won't have to spend on your house, car, vacations, and lifestyle after you are out of college. Before you agree to borrow student loans:

- make sure you have exhausted all other types of financial aid,
- never borrow more than you really need, and
- borrow only what you can afford to repay. Have an idea of what kind of salary you can expect as a graduate, and borrow according to what that salary will afford you. A good guideline is that your student loan payment should be no more than 8% of your take home pay. Mapping Your Future has a debt/salary wizard that allows you to determine the maximum you should borrow: [mappingyourfuture.org/paying/debtwizard/](http://mappingyourfuture.org/paying/debtwizard/).

## Estimated Financial Aid Packages

If you estimated any of the information on your FAFSA, make sure you've turned in updated tax and financial information to the financial aid office at the schools to which you applied. If you haven't, the financial aid packages you receive will only be "estimates." You're responsible for making sure that the financial aid office has the correct information.

## Understand student loans

- To be eligible for federal student loans, you must complete the FAFSA.
- Consult the financial aid office at your school if you have questions about any loan you are considering.
- Only borrow the amount you need to cover your costs for the year; do not borrow extra.
- You do not have to make payments on your federal student loans while you are in school at least half time.

As a borrower, you have **rights**. You have the right to know the following:

- The amount of the total debt and an estimate of the monthly repayment amount
- An estimated date to start repayment
- The name of the lender or agency holding each loan
- A description of the types of student loans
- An explanation of any fees associated with student loan repayment

Don't be afraid to ask questions about your loan:

- What type of loan is it?
- Is my interest fixed (locked in at a certain percentage) or variable (changes periodically)?
- What kinds of fees will I be charged?

As a borrower, you also have **responsibilities**. You are responsible for repaying your student loan, with interest, even if you:

- Do not finish school,
- Can't find a job, or
- Aren't satisfied with the education you receive.

If you fail to make your payments, there are serious consequences:

- Your lender reports the repayment problems to the major credit bureaus, which could prevent you from borrowing other loans (like car or home loans) in the future.
- Your credit bureau report is also used when you apply for jobs or to rent an apartment, even get a cell phone, and you may miss out on these opportunities due to unpaid student loans.
- Your tax refund can be seized to cover your missed payments.
- Your employer can be ordered to give a portion of your paycheck to your lender.



Student loans can be a good way to start building a good financial history. However, be just as careful with this type of debt as you would with anything else. Student loans can't be forgiven through bankruptcy.

If you have problems paying your student loan debt in the future, contact your student loan lender immediately. There are many options built into the student loan program rules that are designed to help you if you have problems.

### **Federal Perkins Loans**

- Perkins loans are awarded to students with a high financial need.
- The award amount is based on your need, with a maximum award of \$5,000 per year.

### **Direct Loans**

- There are two types of Direct Loans for students
  - Subsidized loans are based on need, and the government pays the interest for you:
    - while you are in school,
    - during the 6-month period after you stop attending school at least half time (this is your "grace period"), and
    - during authorized periods of deferment.

- Unsubsidized loans are not based on need. You are responsible for paying all interest, although you can wait until your loan enters repayment to pay (which will increase the total cost of your loan).
- As a freshman in college, the most a dependent student can borrow in Direct Loans is \$5,500 (no more than \$3,500 of this can be subsidized).

### **Parent Loans**

Parents also can borrow federal loans to help their students pay for college. These loans are called Direct PLUS Loans. Unlike Direct Loans for students, Direct PLUS Loan payments must be made while a student is still in school. Parents can borrow up to the total cost of attendance minus other financial aid received.



### **Private/Alternative Loans**

- Private loans usually have a higher interest rate, different repayment terms, and more fees than federal loans.
- Most require that you meet minimum credit standards.
- You will almost always be required to have a co-signer.
- Private loans should only be considered once all other financial aid, including federal student loans, has been exhausted.

### **Consider your financial life after college**

Graduation will be here before you know it, and your college years will fly by. Now is the best time to start thinking about your financial life after college. You can take simple steps during your college years to ensure you're financially ready for the challenges of supporting yourself.

### **Your Credit Report**

Just like your high school transcripts show colleges what they can expect from you academically, your credit report tells the world what it can expect from you financially. That may not seem important now, and it may seem like no one else's business, but the truth is that your credit report will be looked at when you apply for the following:

- A car loan
- A home loan
- A cell phone
- Utilities, like water and electricity
- An apartment
- When you apply for a job



## Start Building a Good Financial Reputation Now

- Open a checking or savings account at your local bank. Don't spend more than what is in the accounts.
- Have your paycheck directly deposited into your account.
- Learn how to use credit cards wisely.
- Pay all of your bills on time each month.
- **Save money.**
  - Save as much as you can every month. Even a small amount can make a big difference if you keep it up.
  - A great goal is to establish an emergency savings fund large enough to cover three to six months of your living expenses.

## Set Up a Realistic Budget and Stick to It

Establishing a budget and sticking to it isn't easy, but it's the best way to be in control of your finances and to make sure your money is going toward the expenses that matter most to you.

Follow the steps below as you set up your own, personalized budget:

1. **Make a list of your values and put them in order.**
2. **Set your financial goals.**
  - Short term – Goals you want to achieve in the next three months.
  - Intermediate term – Goals you want to achieve in three months to a year.
  - Long term – Goals you want to achieve that will take more than a year.
3. **Determine your income.**
4. **Determine your expenses.**
5. **Create your budget.**
  - Think of your budget as a “spending plan,” a way to be aware of how much money you have, where it needs to go, and how much, if any, is left over.
  - Your budget should meet your "needs" first (food, housing, electricity), then the “wants” that you can afford (entertainment, new clothing).
  - Your expenses should be less than or equal to your total income.
  - If your income is not enough to cover your expenses, adjust your budget (and your spending!) by deciding which expenses can be reduced.

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Mapping Your Future offers an interactive version of the Guide to Life after High School program at [mappingyourfuture.org/GuideToLife/](http://mappingyourfuture.org/GuideToLife/). To complete an interactive guide, you must be at least 13 years of age. In addition, your school or educator instructing you to complete the guide must elect to participate.